Paper No. __
Filed: November 8, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TIANMA MICROELECTRONICS CO. LTD.,
Petitioner,

v.

JAPAN DISPLAY INC. and PANASONIC LIQUID CRYSTAL DISPLAY CO., LTD.,
Patent Owner.

Case No. IPR2021-01061
U.S. Patent No. 10,423,034

PETITIONER'S PRE-INSTITUTION REPLY

A holistic evaluation of the *Fintiv* factors favors institution. Petitioner's diligence in filing the present and six related IPRs, *Sotera*-type stipulation, and the petition's strong merits outweigh other applicable factors, including the date of the district court trial, which is still going through a substantial narrowing process.

Trial is currently set in the district court for February 2022, and thus before the Board's anticipated statutory deadline for final written decision (factor 2). But as recognized by Patent Owner, and ordered by the district court, not all 15 asserted patents and 135 claims will go to trial. Indeed, Patent Owner recently narrowed the number of patents and claims. Ex. 1025, 3; Ex. 1026, 1 (Patent Owner's election, including withdrawal of three challenged claims of the '034 patent). And the district court fully expects further narrowing in advance of trial. Ex. 1027, 8-20 (October 26, 2021, district court status conference discussing narrowing); Ex. 1028, 2 (status conference minutes ordering the parties to submit a joint notice by November 10 "re: efforts to resolve or narrow outstanding claims and patents in the case."). Thus, by the expected institution date, it is entirely possible that the '034 patent (or additional claims) will be withdrawn from the district court, rendering factor 2 moot. At the same time, should the challenged patent or claims be withdrawn before trial, Patent Owner could still assert them against others, making it in the public interest for the Board to address the patentability of the challenged patent and claims here.

In any case, the trial date is not determinative. *Samsung Electronics Co., Ltd., v. Acorn Semi, LLC*, IPR2020-01183, Paper 17 at 38-39, 47 (PTAB Feb. 10, 2021) (instituting review with over ten months between district court trial and final written decision dates); *Roku, Inc., v. Flexiworld Tech., Inc.*, IPR2021-00715, Paper 18 at 11, 15 (PTAB Oct. 26, 2021) (same by six months); *R.J. Reynolds Vapor Company v. Philip Morris Products S.A.*, IPR2021-00585, Paper 10 at 11, 14 (PTAB Sept. 13, 2021) (same by five months); *Boston Scientific Corp., and Boston Scientific Neuromodulation Corp., v. Nevro Corp.*, IPR2020-01562, Paper 14 at 18-20, 25 (PTAB March 16, 2021) (same by five months); *see also id.* at 20 ("we consider all factors holistically and do not rely upon [] factor [2] in isolation."). Patent Owner's cited pre-2021 Board decisions (POPR, 7-8) are distinguishable because they do not involve a *Sotera*-type stipulation like here. The same is true for the decisions cited in its IPR2021-01028, -01029 sur-replies. IPR2021-01028, Paper 10, 2-3; IPR2021-01029, Paper 9, 2-3 (citing *Samsung Elecs. Col., Ltd. v. Clear Imaging Research LLC*, IPR2020-01551, Paper 12 (PTAB Feb. 17, 2021); *Cisco Systems, Inc. v. Oyster Optics, LLC*, IPR2021-00319, Paper 9 (PTAB June 8, 2021)).

Under factor 3, the Board considers Petitioner's timing in filing the petition. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 11 (PTAB Mar. 20, 2020) (precedential). Here, Petitioner moved with speed and diligence in bringing the present—and six related IPRs—five months after Patent Owner served its

infringement contentions. Preparing an IPR petition requires substantial time and effort. And this is particularly true in cases like this, where Patent Owner refused to narrow the number of claims and issues until service of its infringement contentions (Ex. 1020)—and even then, Patent Owner still asserted 135 claims from 15 patents against more than 2,400 accused products, imposing a vastly greater burden on Petitioner to assess the dispute and evaluate for which patents to request IPR. *Samsung*, Paper 17 at 39-40; *Roku, Inc.*, Paper 18 at 12-13. Further, Patent Owner did not respond to Petitioner's invalidity contentions before the petitions were filed. *Roku, Inc.*, Paper 18 at 12. And unlike Patent Owner's cited *Next Caller* decisions, any purported delay here is reasonably explained based on the number of asserted patents and claims. Also, the *Next Caller* cases did not involve *any* stipulations.

The Board also considers, under factor 3, "the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv*, Paper 11 at 9. Here, by institution, the district court's investment regarding the patentability of the '034 patent will be nominal. The district court has issued a claim construction order (Ex. 1029), but it construed no '034 claim term. Although by the expected institution date there will have been additional investment by the parties in the district court, a substantial portion of work and trial is yet to come after institution. Moreover, the parties' investment is neither determinative nor weighed in isolation. Instead, it must be considered in light of the

nominal substantive investment by the district court, petitioner's diligence bringing the challenge, and in concert with the other applicable factors. *See, e.g.*, *Samsung*, Paper 17, 39-40, 47 (instituting review after close of fact and expert discovery, service of expert reports, dispositive motions and responses, and Daubert motions and responses); *R.J. Reynolds*, Paper 10 at 12, 14 (instituting review after completion of fact and expert discovery, pre-trial conference, dispositive motion practice, and exchanging of witness and exhibit lists and deposition designations). Patent Owner's cited pre-2021 Board decisions (POPR, 9), are distinguishable as not involving *any* stipulation—much less a *Sotera*-type stipulation like here.

Indeed, Petitioner's broad *Sotera*-type stipulation (factor 4) strongly favors institution. In its IPR2021-01028, -01029 sur-replies, Patent Owner states that "Petitioner's invalidity case [for five of the seven patents] involves alleged prior art products in combination with the same references asserted in the respective petitions and thus would be unaffected by the stipulation because the substance of those references will still be at issue." IPR2021-01028, Paper 10, 5; IPR2021-01029, Paper 9, 5. That is not so. If the Board institutes, pursuant to Petitioner's *Sotera*-type stipulation, Petitioner will withdraw, from the district court, all grounds it raised, or reasonably could have raised, in the present IPR. And Patent Owner does not dispute that Petitioner could not have raised the system-art based invalidity challenge in the petition. *See Philip Morris Products, S.A., v. RAI Strategic Holdings, Inc.*, IPR2020-

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